

CLASSIFICATION S-E-C-R-E-T
CENTRAL INTELLIGENCE AGENCY

CD NO.

50X1-HUM

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SUPPLEMENT TO
REPORT NO.

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TRADE CONTRACTS BETWEEN DAHA AND
SOVIET AND ROMANIAN TRADE ORGANIZATIONS

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On the basis of the trade agreement between the USSR and the German Democratic Republic of 12 April 1950, the following contract was concluded between DABA-Chemie (German Foreign Trade, Chemical Division, a public law institution), Berlin C 2, Dirschkenstrasse 40, referred to below as DABA, and the V/O (Vneso-yuznoye Eksportnoye-Importnoye Ob'yedineniye, All-Union Export-Import Association), "Gosyuznefteeksport," Moscow, Proyezd Khudozhestvennogo teatra 2, referred to below as Purchaser:

Section 1

RAHA will sell to the Purchaser and will ship in its own railroad tank cars the following goods, with the stipulation that the goods be shipped free of freight charges to the border of the German Democratic Republic and third countries to be specified by the Purchaser: 72,700 tons of diesel fuel, 15,000 tons of motor-vehicle gasoline, and 35,000 tons of aviation gasoline.

Section 2. Quality

DAHA is required to deliver the above-mentioned products in the quality indicated in the specifications listed in the enclosures. These enclosures constitute an inseparable part of this contract.

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Section 3. Price

The prices for the products to be delivered are: diesel fuel, 88 rubles per metric ton; motor vehicle gasoline, 124 rubles per metric ton; aviation gasoline, 217 rubles per metric ton.

Section 4. Delivery Period

DAHA is required to deliver the products between 1 January and 31 December 1950, and must arrange the forwarding of goods in accordance with the distribution plans transmitted by the Purchaser to DAHA for every calendar month. In these distribution plans, the Purchaser will designate the amount of goods to be shipped, the destination, and the address of the consignee.

The Purchaser is obligated to submit the distribution plans so that they will arrive at DAHA no later than the third day of the month preceding the month for which they are applicable.

The date of border crossing stamped on the bills of lading by the railroad office is to be valid as the day of delivery.

After every shipment DAHA is obligated to notify the Purchaser and consignee by telegram of the shipping date, destination, transport number, and total weight of the shipment.

Section 5. Adjustment of Quantity Differences; Delivery and Receipt

The "actual gross weight" of goods delivered and received stated in the railroad bill of lading is to be valid in terms of quantity for the above-named products. In event it should be established at the border that the lead seals have been removed, or if there are definite indications that amounts of diesel fuel or motor vehicle or aviation gasoline have been lost in transit, the German Reichsbahn is to make an authentic survey of the facts of the case, which is to be the basis for the settlement.

Section 6. Adjustment of Quality Differences; Delivery and Receipt

The quality certificates drawn up by the supplier plant, which must correspond to the specifications in the enclosures, are to be valid in terms of quality for the above-named products shipped by DAHA and received by the Purchaser. If the quality certificates do not correspond to the specifications indicated in the enclosures, the Purchaser is authorized to refuse the goods or to demand a suitable reduction of the price established in the contract.

Section 7. Payment

Payment for the products delivered according to the terms of this contract is to be made in rubles from an irrevocable, divisible letter of credit which is to be opened by the Purchaser at the Deutsche Notenbank, Berlin W 8, Behrenstrasse 21/22, in favor of the MIAM (Ministry for Intra-German and Foreign Trade and Materials Supply) of the German Democratic Republic. This letter of credit is usable upon presentation of the following documents by the DAHA:

- a. Bill issued in triplicate to the V/O "Soyuznefteeksport," Moscow.
- b. Duplicate copy of the railroad bill of lading with a statement that the goods have been shipped across the German-Polish border.

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- c. Quality certificates in accordance with Section 6.
- d. Railroad-tank-car specifications, issued in triplicate.

In connection with the delivery and purchase of aviation gasoline, the supplier is to present the following documents in addition to the above:

- e. Delivery and purchase documents issued in triplicate.

Section 8. Additional Stipulations

Changes in or supplements to this contract or the enclosures are binding only if they are agreed to in writing and signed by authorized persons. Instructions, clarification, and claims on the basis of this contract are to be directed solely to the other party to the contract at its address as stated herein.

Section 9. Arbitration

All disputes which may arise from or in connection with this contract come under the jurisdiction of the Foreign Trade Commission of the Central Trade Office in Moscow. The decisions of this commission are to be final and binding for both parties.

Section 10. New Regulations

If the general delivery terms to be determined as soon as possible between the trade representative of the USSR in Berlin and the MIAM of the German Democratic Republic should deviate from the terms specified in this contract, they are to be applied in basic principle to this contract.

Section 11. Legal Signatures of the Parties

German Foreign Trade, Chemical Division
Berlin C 2, Dircksenstrasse, 40.

V/O "Soyuznefteeksport," Moscow,
Proyezd Khudozhestvennogo teatra 2.

Berlin, 25 May 1950

By authorization of V/O
"Soyuznefteeksport" in Moscow

German Foreign Trade,
Chemical Division

[two illegible signatures]

[one illegible signature]

The above contract is approved:

German Democratic Republic
Ministry for Intra-German and Foreign
Trade and Materials Supply, Main
Department for Foreign Trade

[one illegible signature]

(signed) Ernst Frankfurter

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Nondetachable Enclosure No 1 to the Contract of 25 May 1950 Between DAHA
and V/O "Soyuznefteeksport," Moscow

Diesel Fuel

1. Fractional composition:
 - a. Up to 300 degrees centigrade, at least 70 percent distilled off
 - b. Up to 350 degrees centigrade, at least 85 percent distilled off
2. Viscosity at 20 degrees centigrade, 1.25-1.5 Engler
3. Flash point not under 65 [Martens-Penskiy]
4. Pour point not over minus 10 degrees centigrade
5. Carbon residue not over .1 percent
6. Acid content not over 5 milligrams KOH/100 millimeters [sic]
7. Water content in percent [no specification]
8. Mechanical admixtures [no specifications]
9. Hydrogen sulfide [no specification]
10. Water-soluble acids and alkalies [no specifications]
11. Appearance: light-yellow, transparent liquid
12. Sulfur content not over .06 percent

NOTE: The following specifications are acceptable for the diesel fuel delivered by the Schwarzheide Plant: (a) viscosity at 20 degrees centigrade, 1.0 Engler; (b) flash point not under 45 degrees centigrade; (c) pour point not over minus 35 degrees centigrade.

Berlin, 25 May 1950

Nondetachable Enclosure No 2 to the Contract of 25 May 1950 Between DAHA
and V/O "Soyuznefteeksport," Moscow

Motor Vehicle Gasoline

1. Octane rating not under 60
2. Fractional composition:
 - a. Below 79 degrees centigrade 10 percent must distill off
 - b. Below 100 degrees centigrade 20 percent must distill off
 - c. Below 145 degrees centigrade 50 percent must distill off
 - d. End point not over 200 degrees centigrade
3. Vapor pressure (Reid) not over 500 millimeters of mercury

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4. Induction period not under 240 minutes
 5. Sulfur content not over .15 percent
 6. Satisfactory test on copper plates
 7. No water-soluble acids and alkalies
 8. No water content and no mechanical admixtures
 9. Appearance: colorless, transparent liquid
- Berlin, 25 May 1950

Nondetachable Enclosure No 3 to the Contract of 25 May 1950 Between DAHA
and V/O "Soyuznefteeksport," Moscow

Aviation Gasoline

1. Knock rating with a saturated mixture, 130
 2. Boiling point not under 40 degrees centigrade
 3. Ten percent distillation by 82 degrees centigrade
 4. Fifty percent distillation by 105 degrees centigrade
 5. End point (97.5% distilled) at 180 degrees centigrade
 6. Vapor pressure (Reid) not over 330 millimeters and not under 240 millimeters of mercury
 7. Acid content not over 1.2 milligrams KOH
 8. Resin content not over 2 milligrams
 9. Sulfur content not over .05 percent
 10. Satisfactory test on copper plates
 11. No water-soluble acids
 12. No alkalies
 13. No water content
 14. No mechanical admixtures
 15. Color transparency: transparent; color depends on the ethyl component
 16. Octane rating not under 95 -- to be ascertained by a motor test
- Berlin, 25 May 1950

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CONTRACT

On the basis of the trade agreement between Rumania and the Soviet Zone of Germany of 12 January 1949, the following contract was concluded between DAHA (German Foreign Trade), Berlin C 2, Schicklerstrasse 3-7, represented by its authorized agents, and the firm Rumano Export, Bucharest/Rumania, No 1 Maghere Boulevard. The former firm is referred to below as Seller and the latter as Purchaser. The authorized representative of the Rumanian firm is Mr Eisig, Berlin-Pankow, Wollankstrasse 7.

Section 1. Purpose of Contract

The Seller will sell and the Purchaser will buy the following goods, to be shipped to the border station of the Soviet Zone of Germany free of freight charges: X-ray film, as per the attached preferential agreement of 7 September 1949, at the total price of 46,187.92 US dollars, including inner and outer packing. The film is to be sold and delivered in accordance with the preferential agreement of 7 September 1949, which constitutes an inseparable part of this contract.

Section 2. Price and Place of Delivery

The total value of the goods to be delivered on the basis of this contract, taking as a base the individual prices quoted in the enclosure /not included in original document/, is 46,187.92 US dollars. The price is understood to include delivery of goods to the border station of the Soviet Zone of Germany free of freight charges, and commercial packing for transport by rail.

Section 3. Payment

1. In accordance with the stipulations of the trade agreements, all payments are to be made by means of the clearing system.
2. Payment is to be made by the presentation of an irrevocable, divisible letter of credit in the amount of 46,187.92 US dollars, to be opened in favor of the Administration for Foreign Trade of the Soviet Military Administration in Germany at the Guaranty and Credit Bank, Berlin W 8, Jaegerstrasse 49-51, on behalf of DAHA, Berlin.

The letter of credit is to be opened within 14 days after the contract goes into effect, and is to have a duration period of 30 days past the deadline date for delivery.

The letter of credit is payable upon presentation of the following documents:

- a. Bill issued in five copies.
- b. The forwarding agent's receipt containing his statement that he received the goods from the Seller, customs charges and freight charges to the Soviet Zone border station prepaid, for forwarding to the Transcontinent [sic], Bucharest.
- c. Duplicate of the railroad bill of lading bearing the official stamps of the railroad and customs offices at the German border station.
- d. Report on inspection as to quality, or plant certificate of quality.

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3. The payment terms for special machines and complete installations are to be settled separately.

Section 4. Delivery Dates

1. The goods are to be delivered in accordance with the dates specified in the enclosure.

2. The delivery period in any given case is computed from the effective date of the contract.

3. The date on the forwarding agent's receipt is to be valid as the day of delivery.

4. In event of acts of God, the delivery date agreed upon in any given case is to be extended by the amount of time lost by such unforeseen developments. The Purchaser must be notified in writing, without delay, of the occurrence of these acts of God. In event of acts of God, the Purchaser has the legal right to withdraw from the contract if the new delivery date as communicated by the Seller more than doubles the original delivery period.

5. If there is a delay in meeting delivery dates for reasons other than acts of God, the Purchaser likewise reserves the right to withdraw from the contract if such a delay involves more than half of the agreed delivery period.

Section 5. Quality

The Seller is obligated to deliver the goods in commercial grades in accordance with the DIN (German industrial standard) norms and the specifications stated in the enclosure.

Section 6. Guarantee and Complaints

The Seller is to guarantee the quality and the satisfactory functioning of the equipment under normal working conditions for the duration of ----- months (in the case of machines, operation for 8 hours daily is assumed) after being put into operation, but for not longer than ----- months after delivery from the plant.

* * *

NOTE: One page of what is apparently another contract between Rumania and the German Democratic Republic was appended to the original of the above document. It corresponds exactly with the wording of Sections 2 and 3 of the above contract (price and place of delivery, payment), with the exception that the value for the goods to be delivered is given as 480.99 US dollars, and the letter of credit is to be opened for the same amount (480.99 US dollars).⁷

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